

OHR's Statement at the International Agency's Joint Press Conference

OHR Urges Speedy Parliamentary Action on Tax Reform

The BiH Council of Ministers on 12 October adopted the Excise Tax Law and Sales Tax law. These two laws are absolutely essential in removing a key obstacle to BiH's economic recovery, and it is therefore imperative that they are placed before the BiH Parliamentary Assembly without any further delay. Ideally the assembly should debate the laws in the next two weeks.

The laws are important because they will resolve glaring anomalies in the existing sales tax and excise tax systems, ahead of the introduction of VAT. Among other things, they will provide for the abolition of the system that requires special invoices to be issued for some goods if they are produced in one Entity and sold in the other. This is a time-consuming bureaucratic absurdity that stems from the failed attempt immediately after the war to create two economies in BiH. Citizens have paid a huge price for this in terms of lost trade and lost opportunities to create jobs. The sooner this is fixed the better. OHR urges parliamentarians to debate this law quickly and put an end to an economic disadvantage that is both pointless and self-inflicted.